

ST 03-0030-PLR 11/20/2003 SALES FOR RESALE

Illinois law requires a Certificate of Resale to contain the information set out in 86 Ill. Adm. Code 130.1405(b). (This is a PLR.)

November 20, 2003

Dear Xxxxx:

This letter is in response to your letter dated September 10, 2003, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.1120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

Review of your request disclosed that all the information described in paragraphs 1 through 8 of Section 1200.110 appears to be contained in your request. This Private Letter Ruling will bind the Department only with respect to AAA for the issue or issues presented in this ruling, and is subject to the provisions of subsection (e) of Section 1200.110 governing expiration of Private Letter Rulings. Issuance of this ruling is conditioned upon the understanding that neither AAA nor a related taxpayer is currently under audit or involved in litigation concerning the issues that are the subject of this ruling request. In your letter you have stated and made inquiry as follows:

AAA and BBB is testing a transactional based exemption certificate to support tax-exempt sales. The transactional-based certificate prints for each tax-exempt sale and contains the verbiage found on the multi-jurisdictional uniform sales and use tax certificate accepted by Illinois as a Certificate of Resale. It does not however allude to an exemption granted to purchases of tangible personal property for lease or rent.

According to Illinois Publication 104, 'To document tax-exempt purchases of such items, retailers must keep in their books and records a certificate of resale containing

- the seller's name and address,
- the purchaser's name and address,
- an identification or description of the items purchased for resale,
- a statement from the purchaser that the items are being purchased for resale,
- the purchaser's signature and the date of signing, and
- one of the following:
 - the purchaser's active Illinois business tax number(IBT) number issued by the number,

- the purchaser's active resale number issued by the department, or
- a statement that the purchaser is an out-of-state purchaser who will always sell (and deliver) to his or her customers outside Illinois.'

I am writing to respectfully request a Private Letter Ruling regarding the acceptance of the revised transactional based certificate as a valid Certificate of Resale to support sales for which exemptions have been claimed.

An example of the revised transactional based exemption certificate for AAA and BBB has been included for review. Please note the transactional-based certificate contains the equivalent verbiage as the MTC uniform sales and use multi-jurisdiction exemption certificate excluding an exemption granted for tangible personal property for lease or rent.

Illinois law requires a Certificate of Resale to contain the information set out in 86 Ill. Adm. Code 130.1405(b). A Certificate of Resale is a statement signed by the purchaser that the property purchased by him is purchased for purposes of resale. Provided that this statement is correct, the Department will accept Certificates of Resale as prima facie proof that sales covered thereby were made for resale. In addition to the statement, a Certificate of Resale must contain:

- 1) The seller's name and address;
- 2) the purchaser's name and address;
- 3) a description of the items being purchased for resale;
- 4) purchaser's signature, or the signature of an authorized employee or agent of the purchaser, and date of signing;
- 5) Registration Number, Resale Number, or Certification of Resale to Out-of-State Purchaser

It does not appear that the date of the transaction is on the transaction certificate you included with your letter. If a date were included, the transaction based certificate you attached to your letter would meet the Certificate of Resale requirements in Illinois.

The facts upon which this ruling are based are subject to review by the Department during the course of any audit, investigation, or hearing and this ruling shall bind the Department only if the material facts as recited in this ruling are correct and complete. This ruling will cease to bind the Department if there is a pertinent change in statutory law, case law, rules or in the material facts recited in this ruling.

I hope this information is helpful. If you have further questions concerning this Private Letter ruling, you may contact me at 782-2844. If you have further questions related to the Illinois sales tax laws, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Melanie A. Jarvis
Associate Counsel